

The Honorable James L. Robart

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

BLOCK MINING INC., f/k/a
BLOCKWARE MINING, INC.,

Plaintiff,

v.

HOSTING SOURCE, LLC,

Defendant.

CASE NO. C24-0319-JLR

~~PROPOSED~~ STIPULATED
PROTECTIVE ORDER

1. PURPOSES AND LIMITATIONS

Discovery in this action is likely to involve production of confidential, proprietary, or private information for which special protection may be warranted. Accordingly, the parties hereby stipulate to and petition the court to enter the following Stipulated Protective Order. The parties acknowledge that this agreement is consistent with LCR 26(c). It does not confer blanket protection on all disclosures or responses to discovery, the protection it affords from public disclosure and use extends only to the limited information or items that are entitled to confidential treatment under the applicable legal principles, and it does not presumptively entitle parties to file confidential information under seal.

1 2. “CONFIDENTIAL” MATERIAL

2 “Confidential” material shall include the following documents and tangible things
 3 produced or otherwise exchanged: the parties’ proprietary business information, competitively
 4 sensitive information, and/or other non-public commercial, financial, research or technical
 5 information, including a Party’s business, marketing, or development plans and strategies,
 6 customers, suppliers, joint venture partners, affiliates, or other parties to whom a party may, in
 7 good faith, owe a duty of confidentiality; the parties’ and their agents’ financial information,
 8 including but not limited to financial statements, ledgers, statements of account, documents
 9 evidencing the flows of funds or cryptocurrency; personal identifying information of the parties
 10 employees; documents containing information required to be redacted under Federal Rule of Civil
 11 Procedure 5.2; digital wallet addresses; and the identities of other parties that have Bitcoin miners
 12 as Hosting Source LLC’s facility in East Wenatchee, Washington.

13 3. SCOPE

14 The protections conferred by this agreement cover not only confidential material (as
 15 defined above), but also (1) any information copied or extracted from confidential material; (2) all
 16 copies, excerpts, summaries, or compilations of confidential material; and (3) any testimony,
 17 conversations, or presentations by parties or their counsel that might reveal confidential material.

18 However, the protections conferred by this agreement do not cover information that is in
 19 the public domain or becomes part of the public domain through filing to the court’s docket, trial,
 20 or otherwise.

21 4. ACCESS TO AND USE OF CONFIDENTIAL MATERIAL

22 4.1 Basic Principles. A receiving party may use confidential material that is disclosed
 23 or produced by another party or by a non-party in connection with this case only for prosecuting,
 24 defending, or attempting to settle this litigation. Confidential material may be disclosed only to the
 25 categories of persons and under the conditions described in this agreement. Confidential material
 26 must be stored and maintained by a receiving party at a location and in a secure manner that ensures

1 that access is limited to the persons authorized under this agreement.

2 4.2 Even after final disposition of this litigation, the confidentiality obligations
3 imposed by this Order shall remain in effect until a Designating Party agrees otherwise in writing
4 or a court order otherwise directs. Final disposition shall be deemed to be the later of (1) dismissal
5 of all claims and defenses in this Action, with or without prejudice; and (2) final judgment herein
6 after the completion and exhaustion of all appeals, rehearings, remands, trials, or reviews of this
7 Action, including the time limits for filing any motions or applications for extension of time
8 pursuant to applicable law.

9 4.3 Disclosure of “CONFIDENTIAL” Information or Items. Unless otherwise ordered
10 by the court or permitted in writing by the designating party, a receiving party may disclose any
11 confidential material only to:

12 (a) the receiving party’s counsel of record in this action, as well as employees
13 of counsel to whom it is reasonably necessary to disclose the information for this litigation;

14 (b) the officers, directors, and employees (including in house counsel) of the
15 receiving party to whom disclosure is reasonably necessary for this litigation;

16 (c) experts and consultants to whom disclosure is reasonably necessary for this
17 litigation and who have signed the “Acknowledgment and Agreement to Be Bound” (Exhibit A);

18 (d) the court, court personnel, and court reporters and their staff;

19 (e) copy or imaging services retained by counsel to assist in the duplication of
20 confidential material, provided that counsel for the party retaining the copy or imaging service
21 instructs the service not to disclose any confidential material to third parties and to immediately
22 return all originals and copies of any confidential material;

23 (f) during their depositions, witnesses in the action to whom disclosure is
24 reasonably necessary and who have signed the “Acknowledgment and Agreement to Be Bound”
25 (Exhibit A), unless otherwise agreed by the designating party or ordered by the court. Pages of
26 transcribed deposition testimony or exhibits to depositions that reveal confidential material must

1 be separately bound by the court reporter and may not be disclosed to anyone except as permitted
2 under this agreement;

3 (g) the author or recipient of a document containing the information or a
4 custodian or other person who otherwise possessed or knew the information.

5 4.4 Filing Confidential Material. Before filing confidential material or discussing or
6 referencing such material in court filings, the filing party shall confer with the designating party,
7 in accordance with Local Civil Rule 5(g)(3)(A), to determine whether the designating party will
8 remove the confidential designation, whether the document can be redacted, or whether a motion
9 to seal or stipulation and proposed order is warranted. During the meet and confer process, the
10 designating party must identify the basis for sealing the specific confidential information at issue,
11 and the filing party shall include this basis in its motion to seal, along with any objection to sealing
12 the information at issue. Local Civil Rule 5(g) sets forth the procedures that must be followed and
13 the standards that will be applied when a party seeks permission from the court to file material
14 under seal. A party who seeks to maintain the confidentiality of its information must satisfy the
15 requirements of Local Civil Rule 5(g)(3)(B), even if it is not the party filing the motion to seal.
16 Failure to satisfy this requirement will result in the motion to seal being denied, in accordance with
17 the strong presumption of public access to the Court's files.

18 5. DESIGNATING PROTECTED MATERIAL

19 5.1 Exercise of Restraint and Care in Designating Material for Protection. Each party
20 or non-party that designates information or items for protection under this agreement must take
21 care to limit any such designation to specific material that qualifies under the appropriate
22 standards. The designating party must designate for protection only those parts of material,
23 documents, items, or oral or written communications that qualify, so that other portions of the
24 material, documents, items, or communications for which protection is not warranted are not swept
25 unjustifiably within the ambit of this agreement.

26 Mass, indiscriminate, or routinized designations are prohibited. Designations that are

1 shown to be clearly unjustified or that have been made for an improper purpose (*e.g.*, to
 2 unnecessarily encumber or delay the case development process or to impose unnecessary expenses
 3 and burdens on other parties) expose the designating party to sanctions.

4 If it comes to a designating party's attention that information or items that it designated for
 5 protection do not qualify for protection, the designating party must promptly notify all other parties
 6 that it is withdrawing the mistaken designation.

7 5.2 Manner and Timing of Designations. Except as otherwise provided in this
 8 agreement (see, *e.g.*, second paragraph of section 5.2(b) below), or as otherwise stipulated or
 9 ordered, disclosure or discovery material that qualifies for protection under this agreement must
 10 be clearly so designated before or when the material is disclosed or produced.

11 (a) Information in documentary form: (*e.g.*, paper or electronic documents and
 12 deposition exhibits, but excluding transcripts of depositions or other pretrial or trial proceedings),
 13 the designating party must affix the word "CONFIDENTIAL" to each page that contains
 14 confidential material. If only a portion or portions of the material on a page qualifies for protection,
 15 the producing party also must clearly identify the protected portion(s) (*e.g.*, by making appropriate
 16 markings in the margins).

17 (b) Testimony given in deposition or in other pretrial proceedings: the parties
 18 and any participating non-parties must identify on the record, during the deposition or other pretrial
 19 proceeding, all protected testimony, without prejudice to their right to so designate other testimony
 20 after reviewing the transcript. Any party or non-party may, within fifteen days after receiving the
 21 transcript of the deposition or other pretrial proceeding, designate portions of the transcript, or
 22 exhibits thereto, as confidential. If a party or non-party desires to protect confidential information
 23 at trial, the issue should be addressed during the pre-trial conference.

24 (c) Other tangible items: the producing party must affix in a prominent place
 25 on the exterior of the container or containers in which the information or item is stored the word
 26 "CONFIDENTIAL." If only a portion or portions of the information or item warrant protection,

1 the producing party, to the extent practicable, shall identify the protected portion(s).

2 5.3 Inadvertent Failures to Designate. If timely corrected, an inadvertent failure to
3 designate qualified information or items does not, standing alone, waive the designating party's
4 right to secure protection under this agreement for such material. Upon timely correction of a
5 designation, the receiving party must make reasonable efforts to ensure that the material is treated
6 in accordance with the provisions of this agreement.

7 6. CHALLENGING CONFIDENTIALITY DESIGNATIONS

8 6.1 Timing of Challenges. Any party or non-party may challenge a designation of
9 confidentiality at any time. Unless a prompt challenge to a designating party's confidentiality
10 designation is necessary to avoid foreseeable, substantial unfairness, unnecessary economic
11 burdens, or a significant disruption or delay of the litigation, a party does not waive its right to
12 challenge a confidentiality designation by electing not to mount a challenge promptly after the
13 original designation is disclosed.

14 6.2 Meet and Confer. The parties must make every attempt to resolve any dispute
15 regarding confidential designations without court involvement. Any motion regarding confidential
16 designations or for a protective order must include a certification, in the motion or in a declaration
17 or affidavit, that the movant has engaged in a good faith meet and confer conference with other
18 affected parties in an effort to resolve the dispute without court action. The certification must list
19 the date, manner, and participants to the conference. A good faith effort to confer requires a face-
20 to-face meeting or a telephone conference.

21 6.3 Judicial Intervention. If the parties cannot resolve a challenge without court
22 intervention, the designating party may file and serve a motion to retain confidentiality under Local
23 Civil Rule 7 (and in compliance with Local Civil Rule 5(g), if applicable). The burden of
24 persuasion in any such motion shall be on the designating party. Frivolous challenges, and those
25 made for an improper purpose (*e.g.*, to harass or impose unnecessary expenses and burdens on
26 other parties) may expose the challenging party to sanctions. All parties shall continue to maintain

1 the material in question as confidential until the court rules on the challenge.

2 7. PROTECTED MATERIAL SUBPOENAED OR ORDERED PRODUCED IN OTHER
 3 LITIGATION

4 If a party is served with a subpoena or a court order issued in other litigation that compels
 5 disclosure of any information or items designated in this action as “CONFIDENTIAL,” that party
 6 must:

7 (a) promptly notify the designating party in writing and include a copy of the
 8 subpoena or court order;

9 (b) promptly notify in writing the party who caused the subpoena or order to
 10 issue in the other litigation that some or all of the material covered by the subpoena or order is
 11 subject to this agreement. Such notification shall include a copy of this agreement; and

12 (c) cooperate with respect to all reasonable procedures sought to be pursued by
 13 the designating party whose confidential material may be affected.

14 8. UNAUTHORIZED DISCLOSURE OF PROTECTED MATERIAL

15 If a receiving party learns that, by inadvertence or otherwise, it has disclosed confidential
 16 material to any person or in any circumstance not authorized under this agreement, the receiving
 17 party must immediately (a) notify in writing the designating party of the unauthorized disclosures,
 18 (b) use its best efforts to retrieve all unauthorized copies of the protected material, (c) inform the
 19 person or persons to whom unauthorized disclosures were made of all the terms of this agreement,
 20 and (d) request that such person or persons execute the “Acknowledgment and Agreement to Be
 21 Bound” that is attached hereto as Exhibit A.

22 9. INADVERTENT PRODUCTION OF PRIVILEGED OR OTHERWISE PROTECTED
 23 MATERIAL

24 When a producing party gives notice to receiving parties that certain inadvertently
 25 produced material is subject to a claim of privilege or other protection, the obligations of the
 26 receiving parties are those set forth in Federal Rule of Civil Procedure 26(b)(5)(B). This provision

1 is not intended to modify whatever procedure may be established in an e-discovery order or
 2 agreement that provides for production without prior privilege review. The parties agree to the
 3 entry of a non-waiver order under Fed. R. Evid. 502(d) as set forth herein.

4 10. NON TERMINATION AND RETURN OF DOCUMENTS

5 Within 60 days after the termination of this action, including all appeals, each receiving
 6 party must return all confidential material to the producing party, including all copies, extracts and
 7 summaries thereof. Alternatively, the parties may agree upon appropriate methods of destruction.

8 Notwithstanding this provision, counsel are entitled to retain one archival copy of all
 9 documents filed with the court, trial, deposition, and hearing transcripts, correspondence,
 10 deposition and trial exhibits, expert reports, attorney work product, and consultant and expert work
 11 product, even if such materials contain confidential material.

12 The confidentiality obligations imposed by this agreement shall remain in effect until a
 13 designating party agrees otherwise in writing or a court orders otherwise.

14 11. OTHER PROVISIONS

15 a) Nothing in this Protective Order shall be construed to permit or to preclude any
 16 Party from asserting in good faith that certain Confidential material requires additional protections.
 17 The parties shall meet and confer to attempt to agree upon the terms of such additional protections.

18 b) Nothing in this Protective Order shall prevent a Party from knowingly waiving the
 19 applicability of the Protective Order to any Confidential material so designated by that Party. If
 20 the designating party uses Confidential material in a non-Confidential manner, then the designating
 21 party shall advise all parties that the designation no longer applies. Subject to the procedures set
 22 forth above regarding inadvertent failure to designate, a designating party's filing with the court
 23 of documents designated Confidential under this order shall constitute notice that the designating
 24 party is waiving the applicability of the Protective Order as to those documents

1 f) Any party to this proceeding (or other person subject to the terms of this Protective
2 Order) may ask the Court, after appropriate notice to the other Parties to these Proceedings, to
3 modify or grant relief from any provision of this Protective Order.

4 g) By stipulating to the entry of this Protective Order no Party waives any right it
5 otherwise would have to object to disclosing or producing any information or item on any ground
6 not addressed in this Stipulated Protective Order. Similarly, no Party waives any right to object on
7 any ground to use in evidence of any of the material covered by this Protective Order.

1 IT IS SO STIPULATED, THROUGH COUNSEL OF RECORD.

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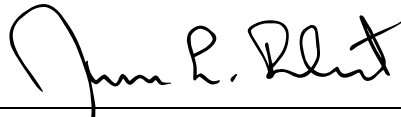
Attorneys for Defendant

ORDER

PURSUANT TO STIPULATION, IT IS SO ORDERED

IT IS FURTHER ORDERED that pursuant to Fed. R. Evid. 502(d), the production of any documents, electronically stored information (ESI) or information, whether inadvertent or otherwise, in this proceeding shall not, for the purposes of this proceeding or any other federal or state proceeding, constitute a waiver by the producing party of any privilege applicable to those documents, including the attorney-client privilege, attorney work-product protection, or any other privilege or protection recognized by law. This Order shall be interpreted to provide the maximum protection allowed by Fed. R. Evid. 502(d). The provisions of Fed. R. Evid. 502(b) do not apply. Nothing contained herein is intended to or shall serve to limit a party's right to conduct a review of documents, ESI or information (including metadata) for relevance, responsiveness and/or segregation of privileged and/or protected information before production. Information produced in discovery that is protected as privileged or work product shall be immediately returned to the producing party.

DATED: May 7, 2024



The Honorable James L. Robart
United States District Court Judge

EXHIBIT A

ACKNOWLEDGMENT AND AGREEMENT TO BE BOUND

I, _____ [print or type full name], of
 _____ [print or type full address], declare under penalty of
 perjury that I have read in its entirety and understand the Stipulated Protective Order that was
 issued by the United States District Court for the Western District of Washington on [date] in the
 case of _____ **[insert formal name of the case and the number and initials
 assigned to it by the court]**. I agree to comply with and to be bound by all the terms of this
 Stipulated Protective Order and I understand and acknowledge that failure to so comply could
 expose me to sanctions and punishment in the nature of contempt. I solemnly promise that I will
 not disclose in any manner any information or item that is subject to this Stipulated Protective
 Order to any person or entity except in strict compliance with the provisions of this Order.

I further agree to submit to the jurisdiction of the United States District Court for the
 Western District of Washington for the purpose of enforcing the terms of this Stipulated Protective
 Order, even if such enforcement proceedings occur after termination of this action.

Date: _____

City and State where sworn and signed: _____

Printed name: _____

Signature: _____